

Message Text

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ACTION PM-03

INFO OCT-01 EUR-12 ISO-00 OC-05 CCO-00 TRSE-00 OMB-01 L-02

EB-07 COME-00 AID-05 CIAE-00 INR-07 NSAE-00 SP-02

SSO-00 INRE-00 /045 W

----- 035827

O 151308Z MAY 75

FM AMEMBASSY ATHENS

TO SECSTATE WASHDC IMMEDIATE 8732

USCINCEUR IMMEDIATE

SECDEF IMMEDIATE

C O N F I D E N T I A L ATHENS 3587

E.O. 11652: GDS

TAGS: MASS, EAIR, EINV, EIND, BEXP, GR, US

SUBJ: NATIONAL AVIATION EQUIPMENT INDUSTRY (EBAY)

REF: (A) ATHENS 3569; (B) ATHENS 3564; (C) STATE 105920

1. CAPTAIN ACHILLES PAPACOSTAS (HN) AND LT. COL. PERICLES KONTODIOS (HAF) PROVIDED EMBASSY THIS MORNING WITH FINAL DRAFT OF LETTER TO MEET USDOD REQUIREMENTS FOR GOG USE OF \$25 MILLION FOR EBAY PROJECT. IF DOD CAN CONFIRM ACCEPTABILITY OF LANGUAGE BY OOB ATHENS MAY 16, PAPACOSTAS AND KONTODIOS BELIEVE THAT ORIGINAL OF LETTER, SIGNED BY DEFENSE MINISTER AVEROFF-TOSSIZZA, CAN BE DELIVERED TO EMBASSY BY NOON THE SAME DAY. IF ALTERCATIONS REQUIRED BY DOD, PROCESS MAY TAKE MORE TIME, BUT GOG PREPARED TO RESPOND AS QUICKLY AS POSSIBLE. EMBASSY WILL, OF COURSE, SEND ORIGINAL TO DEPARTMENT OF STATE BY FIRST AVAILABLE CLASSIFIED POUCH. (IF LETTER MISSES SPECIAL MILITARY FLIGHT TOMORROW, NEXT POUCH SCHEDULED TO ARRIVE IN WASHINGTON MAY 22. WOULD DELAY IN RECEIPT OF ORIGINAL BY DOD POSE OBSTACLE TO CONCLUSION OF TRANSACTION?)

2. EMBASSY HOPES FOR EXPEDITIOUS DOD RESPONSE GIVEN LIMITED TIME AVAILABLE FOR COMPLETION OF DRAWDOWN.

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3. TEXT OF LETTER FOLLOWS.

BEGIN TEXT

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TO: DEFENSE SECURITY ASSISTANCE AGENCY
DEPARTMENT OF DEFENSE
WASHINGTON, D.C. 20301
ATTN: MR. ROY BETTELEY, DSAA/TS
PENTAGON ROOM 4B660

INFO: 1) SHAFCDIRECTORATE OF FINANCE AND BUDGETING/I (4)
ATTENTION: CAPTAIN A. PAPACOSTAS
2) HSAFC/4TH JOINT GROUP /IL/2
3) HAFCD 4TH STAFF OFFICE
4) HAFCHAI

REF: A. GOVERNMENT OF GREECE/FIRST NATIONAL CITY BANK
LOAN AGREEMENT, DATED 1 JUN. 72
B. GOVERNMENT OF THE UNITED STATES/FIRST NATIONAL
CITY BANK GUARANTEE AGREEMENT, DATED 26 JUNE 1972.
C. STATE DEPARTMENT CABLE TO AMERICAN EMBASSY, ATHENS,
105920, MAY 6, 1975.
D. SHAFCD BRANCH C/FN 512/13/MAY 31, 1972.

DEAR SIR,

1. IN ACCORDANCE WITH THE REQUIREMENTS CONTAINED IN THE
REFERENCED DOCUMENTS A, B, C, WE REQUEST YOUR CONCURRENCE
THAT THE TOTAL AMOUNT OF THE \$25 MILLION LOAN OF REFERENCE
A BE DRAWN DOWN ON THE 30TH MAY 1975.

2. WE ALSO WISH TO INFORM YOU THAT WE AGREE ON THE FOLLOWING:

A. THE FUNDS BE PLACED IN A BLOCKED DOLLAR ACCOUNT
IN THE FIRST NATIONAL CITY BANK OF NEW YORK, ON BEHALF OF
THE BANK OF GREECE.
B. THE BLOCKED FUNDS BE EXCLUSIVELY USED FOR THE
NATIONAL AVIATION EQUIPMENT INDUSTRY PROJECT.
C. FOR EACH DISBURSEMENT FROM THE BLOCKED ACCOUNT,
THE SPECIFIC US DEPARTMENT OF DEFENSE AUTHORIZATION WILL BE
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REQUESTED. THIS REQUEST WILL BE SUPPORTED BY ADEQUATE
EXPLANATION OF THE PURPOSE OF THE DISBURSEMENT.
D. PLANNED USE OF BLOCKED FUNDS IS FOR PAYMENT TO
US CORPORATIONS FOR GOODS AND SERVICES PROVIDED, WITH
ESTIMATED SCHEDULE FOR DISBURSEMENT AS FOLLOWS, BASED ON THE
DAY OF EXECUTION OF CONTRACTS WITH THE US CORPORATIONS:
(1) \$5.0 MILLION ON THE DAY OF EXECUTION (H) OR WITHIN
TEN DAYS OF IT.

(2) \$4.8 MILLION ON H PLUS THREE MONTHS.

(3) \$9.42 MILLION ON H PLUS SIX MONTHS

(4) \$5.78 MILLION ON H PLUS NINE MONTHS.

E. INITIAL EVIDENCE OF THE CONTRACTUAL RELATIONSHIP
BETWEEN THE GREEK GOVERNMENT AND THE U.S. CORPORATIONS TO
WHICH PAYMENTS FOR GOODS AND SERVICES IN THE UNITED STATES
ARE TO BE MADE, WILL BE PROVIDED TO DOD (DSAA/TS) AS SOON
AS POSSIBLE AFTER THE FINALIZATION OF THE NEGOTIATIONS IN
CONNECTION WITH THE ESTABLISHMENT OF THE NATIONAL AVIATION
EQUIPMENT INDUSTRY PROJECT.

3. WE WOULD APPRECIATE YOUR NOTIFYING FNCB, NEW YORK,
OF YOUR APPROVAL FOR THE PROPOSED IN PARA 1 DRAW DOWN AT
YOUR EARLIEST CONVENIENCE TAKING INTO CONSIDERATION THAT
YOUR APPROVAL HAS TO REACH FNCB ON OR BEFORE THE 22ND MAY
1975. PLEASE FORWARD A COPY OF YOUR APPROVAL LETTER TO
THE UNDERSIGNED.

4. MAY WE ALSO BRING UNDER YOUR ATTENTION THE CONDITIONS
SET FORTH IN ARTICLE IV (CONDITIONS OF LENDING) SECTION
4.01 PARAGRAPHS (G), (H), (I) OF THE REFERENCE A WHICH
HAVE TO BE FULFILLED BY THE U.S. DEPARTMENT OF DEFENSE AND
PARTICULARLY TO THE REQUIREMENTS THAT THEY SHOULD FULFILL,
AS IT REGARDS THE TIME, THE FORM AND THE SUBSTANCE (SECTION
4.01 FIRST FOUR LINES).

5. THIS LETTER REPLACES REFERENCE D ABOVE.

EVANGELOS AVEROF-TOSITSAS

MINISTER OF DEFENSE

END TEXT.

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Message Attributes

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Margaret P. Grafeld
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05 JUL 2006

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TAGS: MASS, EAIR, EINV, EIND, BEXP, GR, US
To: STATE DOD
Type: TE
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